

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 PM-03 H-01

INR-07 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02

SS-15 USIA-06 STR-01 COME-00 TRSE-00 OMB-01 CIEP-01

AID-05 IGA-01 AGR-05 TAR-01 FEA-01 INT-05 /079 W

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R 111400Z JAN 75

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 5315

INFO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS: PFOR, EGEN, XM, BL

SUBJ: FURTHER REACTION TO TRADE ACT

REF: LA PAZ 0179

1. EMBOOFS HAD LONG CONVERSATION JANUARY 9 WITH FONOFF OFFICIALS MOST QUALIFIED DISCUSS TRADE ACT. THEY EXPRESSED STRONG ANXIETY THAT PROVISION EXCLUDING OPEC COUNTRIES FROM GSP WILL CAUSE INTERRUPTION OF "NEW DIALOGUE." IN THEIR OPINION BOLIVIA WILL HAVE TO GO ALONG WITH LATIN MAJORITY, ESPECIALLY SINCE TWO AFFECTED COUNTRIES FELLOW MEMBERS OF ANDEAN PACT. THEY FEAR CHAIN REACTION WITH EACH SIDE IMPOSING INCREASING IMPORT RESTRICTIONS AND PRICES ("U.S. RISING PRICES ON ITS PRODUCTS AND RAW MATERIALS PRODUCERS ON THIERS"). THEY EXPLAINED LEVEL OF EMOTIONAL RESPONSE AS DUE TO DISAPPOINTMENT SINCE GSP HAD BEEN HELD OUT AS SYMBOL OF NEW U.S. APPROACH TO HEMISPHERE. THEY CONCLUDE THAT RESTRICTIVE PROVISIONS OF LAW CONTRARY TO INTENDED SPIRIT OF MORE OPEN TRADE TO DEVELOPING COUNTRIES.

2. EMBOFFS CALLED ATTENTION TO U.S. ADMINISTRATION'S PAST  
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EFFORTS TO PREVENT ADOPTION OF RESTRICTIONS AND PRESENT

DESIRE EITHER TO OBTAIN FAVORABLE INTERPRETATION OR SECURE AMENDMENT TO ACT. EMBOFFS STRESSED POSITIVE ASPECTS OF LAW, URGED GOB ACTIVE PARTICIPATION IN MTN AND NOTED THAT RISING U.S. PRICES HAD ECONOMIC CAUSES AND NOT RESULT POLITICAL ACTION. FONOFF OFFICIALS SAID BOLIVIAN REACTION NOT FORMED BY DIRECT INTEREST SINCE THERE LITTLE OPPORTUNITY FOR LEAST DEVELOPED COUNTRIES TO TAKE ADVANTAGE OF GSP. HE CALLED FOR SPECIAL PREFERENCE FOR LEAST DEVELOPED COUNTRIES WITHIN GSP AND COMPLAINED THAT FEW AGRICULTURAL PRODUCTS INCLUDED IN PROSPECTIVE PRODUCTS LIST. EMBOOF EXPLAINED THAT AG PRODUCTS GENERALLY HAD NO OR LOW TARIFF. MURILLO, CHIEF OF ECON DEPT, FON MIN, STATED EMPHATICALLY THAT GOB HAD NO INTENTION JOINING OPEC.

3. PRESS REACTION SUBSIDED SOME WHAT JANUARY 9. GOVERNMENT-SUPPORTING DAILY HOY IN CONFUSED EDITORIAL COMPLAINED ABOUT ACT AS TYPICAL OF HARD SIDE OF U.S. RELATIONS WITH LA. HOY RECALLED SECRETARY KISSINGER DID NOT ATTEND RECENT MEETING OF FOREIGN MINISTERS IN LIMA (SIC), AND PROBABLY WOULD NOT SHOW UP AT BUENOS AIRES, ALTHOUGH IT ADDED GSP RESTRICTIONS WRITTEN BY SENATE AND NOT SECRETARY'S FAULT. JESUIT STATION RADIO FIDES PRAISED ACT AS SERVING TO UNITE LATIN AMERICANS IN STRUGGLE TO FREE AREA FROM DEPENDENCY. DIARIO REPORTED FON MIN AS SAYING GOB WILL ACCEPT GOV "INVITATION TO DISCUSS ACT IN OAS.  
PARKER

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